

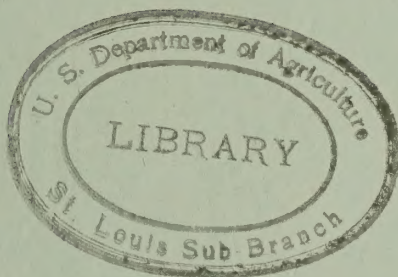
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INSTRUCTIONS FOR MAKING  
ESTIMATES OF  
OPERATING REVENUE AND EXPENSE  
(April, 1941)

(For Use In Applications And Loans Division Only)

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Rural Electrification Administration





INSTRUCTIONS FOR COMPLETING FORM  
ON  
ESTIMATE OF OPERATING REVENUE AND EXPENSE

(For Initial and Supplemental Projects)

The basic principle under which this form was drawn up was to enable the Regional Chief to incorporate in his payout calculations any increase or savings in operation and maintenance costs which he foresaw as a result of field examination of the proposed project by his staff. It is offered in lieu of the present procedure which permits no such variation from average costs.

It provides for itemizing actual costs encountered in operation. While the uniform system of accounts uses a different breakdown, it isn't as well adapted for our purposes for this particular problem. The charts supplied with these forms should be used where better information is not obtainable, and adjustments should be made for individual circumstances only as substantiated in field reports. It must be borne in mind that we are trying to calculate an overall average for a 20-to 25-year period, and we should not take temporary savings into account.

It is well known that in all probability anywhere from 10 to 25 percent of the payroll for the first two years will be capitalized in new construction. But it isn't recommended that this be figured in because over the 25-year period salaries will be increased, which we expect to at least compensate for the initial savings where construction has capitalized a portion of the salary.

In calculating the increase in operation and maintenance costs required by a supplemental section, it is necessary to consider the actual costs of the existing system. A different procedure is suggested for this situation, and it follows as a supplement to this procedure.

Computation of Expense Items

1. Operation and Maintenance of Line.

(a) Payroll

For the items under payroll, consult Chart I. Here the project personnel for average projects is plotted against mileage. List the personnel and their salaries as shown by the cumulative graph for their "block."

THE HISTORY OF THE UNITED STATES

CHAPTER I. THE DISCOVERY OF AMERICA

SECTION I. THE DISCOVERY OF AMERICA

The first discovery of America was made by Christopher Columbus in 1492. He was an Italian explorer who sailed for Spain. He discovered the New World, which was then called America. This discovery led to the European colonization of the Americas.

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(b) Supplies and expense

Average operation and maintenance supplies and expense have been here plotted against "units" on Chart 2. Units are defined as the product of the miles times members, striking off the last three digits. (E.g., a 100-mile project having 300 members would have 30 units indicating an anticipated monthly operation and maintenance supplies and expense cost of \$29.)

(c) Transportation

This transportation refers only to that chargeable against operations and maintenance of the line. It does not include automobile travel by any of the personnel for any other purpose.

The monthly cost is plotted against units found in Chart 2.

2. Administrative Costs.

(a) Office rent

Typical rents are shown on Chart 3 in block style against a total number of members.

(b) Office supplies and expense

This item is also plotted on Chart 3 against members.

(c) Payroll

The office payroll is given in the same manner as line payroll with the exception that it is plotted against members and is found on Chart 4. The proper block is selected and the personnel and their salaries are selected as indicated by the block.

(d) Travel

This expense is intended to cover miscellaneous travel for the superintendent, chargeable only to administration. There was no source of reliable information for this item, as it is included with office salaries on the monthly operating report. However, a reasonable figure with a limit of \$50.00 should be allowed for this item depending upon circumstances.

(e) Meter reading

Meter reading has a very good straight line average of about five cents a member based on a postcard system of meter reading on REA projects. This figure should be used without reserve.

(2) **General and specific**

General and specific information is provided in the following sections of the report. The general information is provided in the following sections of the report. The specific information is provided in the following sections of the report.

(3) **Background**

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(4) **Methodology**

(a) **General**

The methodology is provided in the following sections of the report. The methodology is provided in the following sections of the report.

(b) **Specific**

The methodology is provided in the following sections of the report. The methodology is provided in the following sections of the report.

(c) **Results**

The results are provided in the following sections of the report. The results are provided in the following sections of the report.

(d) **Conclusions**

The conclusions are provided in the following sections of the report. The conclusions are provided in the following sections of the report.

(e) **References**

The references are provided in the following sections of the report. The references are provided in the following sections of the report.



(f) Trustees' expenses

This item has a national average of ten cents per mile. However, there is very little correlation as the number of directors and their willingness to cooperate in an effort to reduce expenses are the two largest items and must be brought in to fit the individual case. Before the Regional Chief reduces this item to zero, however, it should be substantiated in a field report that the directors have been informed of this necessity in order to achieve a feasible project, and a resolution received from them showing that they will expect no compensation for their services.

(g) Special services

This item is intended to cover retaining fees for attorney or similar professional services not rendered by the project personnel. These items will normally be zero but in the case of large projects, the Legal and Engineering Divisions should be consulted to determine whether there will be any need for this expense.

3. Energy Charge.

The 20-percent line loss indicated does not represent an increase of 20% over the amount consumed, but instead reveals a loss of 20% of the total energy metered at the point of delivery. Hence, it may be calculated as one-fourth of the estimated member consumption. (For example: Given a total project consumption of 100,000 kwh per month, divide 100,000 by 4 and add the result to 100,000 which equals a total of 125,000 kwh. The same result may be obtained by multiplying the total monthly member consumption by 1.25; thus, 100,000 times 1.25 equals 125,000 kwh.)

4. Cooperative Education on Chart 3.

Utilization salaries and expense are plotted against members. There is a basic line indicating the straight expense. For larger projects, there are two additional lines which include a \$50.00 part-time salary and a \$100.00-per-month full-time salary.

5. Contingencies.

Contingencies are intended to be left to the discretion of the Regional Chief and may be used to bring the expense to round figures.

This report is a summary of the work done by the committee on the subject of the proposed amendments to the Bill. It is intended to provide a basis for discussion and to assist the committee in its deliberations. The report is divided into two main parts: the first part deals with the general principles of the proposed amendments, and the second part deals with the specific details of the amendments. The first part is divided into three sections: the first section deals with the general principles of the proposed amendments, the second section deals with the specific details of the amendments, and the third section deals with the conclusions of the committee. The second part is divided into two sections: the first section deals with the specific details of the amendments, and the second section deals with the conclusions of the committee.

(2) General principles

The first principle of the proposed amendments is that the law should be based on the principle of equality before the law. This principle is fundamental to the rule of law and is essential for the maintenance of a democratic society. The second principle is that the law should be based on the principle of justice. This principle is also fundamental to the rule of law and is essential for the maintenance of a democratic society. The third principle is that the law should be based on the principle of efficiency. This principle is also fundamental to the rule of law and is essential for the maintenance of a democratic society.

1. General principles

The proposed amendments are based on the principle of equality before the law. This principle is fundamental to the rule of law and is essential for the maintenance of a democratic society. The proposed amendments are also based on the principle of justice. This principle is also fundamental to the rule of law and is essential for the maintenance of a democratic society. The proposed amendments are also based on the principle of efficiency. This principle is also fundamental to the rule of law and is essential for the maintenance of a democratic society.

2. Specific details of the amendments

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3. Conclusions

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